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FARM PROFIT prospects for 1954 held the attention of Illinois farm managers last week in their annual two-day session at the University of Illinois. Using 1951 and 1952 results from a group of central Illinois farms as a jumping-off point (1953 data not available at this time), Professor Johnston came up with per acre profits of $32 for corn, $24 for soybeans, $4 for oats, $9 for wheat, and $10 for hay in 1954. Corresponding profits for 1951 and 1952 averaged $50, $40, $10, $20, and $10, respectively.

These projections for 1954 assumed 1951-52 yields and costs and the following commodity prices: corn, $1.35; soybeans, $2.30; oats, $.70; wheat, $1.80; and hay $21.75. Thus, the reduction in indicated profits is due to the assumed lower level of prices.

The average profit per acre of land in a crop rotation--including two years of corn, one of oats, and one of clover--was projected at $20, compared with $30 in 1951-52.

These projections, of course, are only illustrative. Whether actual results approximate them depends on many factors, including yields, prices, and costs. Yields will be influenced by weather; prices may be either higher or lower than those assumed; production costs are likely to be somewhat lower than in 1951-52. It should be noted also that the background data are for a group of good central Illinois farms and that imputed charges for capital, management, and labor were included in production costs.

ACREAGE ALLOTMENTS for corn present a problem to farm managers. Should established crop rotations be maintained, or should corn acreage be reduced so as to be eligible for price support loans? The answer on most farms will be determined by the livestock program. If nearly all of the corn normally produced is fed to livestock, there is no incentive to reduce corn acreage this year. Only 49 per cent of Illinois farms normally sell corn. For other District states the proportion of farms selling or sealing some corn in 1949 was as follows: Iowa, 42 per cent; Indiana, 29 per cent; Michigan, 13 per cent; Wisconsin, 8 per cent. On the other hand, if most of the corn crop is sold and storage space is available or can be provided at reasonable cost, the price support loan is attractive.

HOGS continue to merit their long-established reputation as "mortgage lifters," according to Professor Terrill of the University of Illinois. Over a recent ten-year period, they provided an average annual income of 355 million dollars, 25 per cent of Illinois receipts from farm marketings. But there is great need for improvement in the production and marketings of hogs.

One-fourth of the baby pigs farrowed in the state die before they are eight weeks old. Many are improperly fed, and diseases are an increasingly serious problem. Finally, breeding and marketing practices must be revamped if the most desired type of pork is to be produced and farmers are to be paid for quality animals.

But improved production practices are pushing in the direction of specialization in hog production. This is a trend that has been noted in many phases of agriculture. Production of potatoes, eggs, turkeys, broilers, and milk all have tended to be concentrated on a reduced number of more specialized farms. Hog production too is likely to shift more and more into the hands of those who are skillful hog producers and who acquire equipment for very efficient production. It may be noted in passing that this trend has implications for farm loan programs.

RANDOM QUOTES from the farm managers' meeting:

O. H. Mendenhall, Equitable Life Insurance Company--When sizing up a farm for a loan, I like to see evidences of livestock: manure in the yard ... electric fence around a piece of tillable land ... some clover stubble along with the corn and soybeans.

E. H. Tyner, University of Illinois Agronomy Department--As much as 90 to 97 per cent of the yield differences between fields that are similar in other respects can be traced to differences in nitrogen ... and it is no longer necessary to rely on legumes to provide this fertility element.

Byron Wright, Farm Manager, Macomb -- The main thing in soil conservation is to maintain the physical profile of the land intact ... fertility can be provided at any time it is needed.

A farm manager -- 160-acre farms in Illinois' cash grain area are becoming a "nuisance"; they're too small for modern production techniques.

Harper Sibly, farm owner and manager -- Prices should not be supported so high as to encourage surplus production, but a floor is needed to avoid disaster.

And for a note of optimism, L. J. Norton, University of Illinois Economist -- made flatfooted forecasts that: Illinois farmers will have more income in 1954 than in 1953 ... and ... the 1954 crop of soybeans will sell above the support level.

Ernest T. Baughman -- Assistant Vice President